Duping of Investors by Companies

1393. SHRI SITARAM YECHURY:
SHRI VIJAY J. DARDA:

Will the Minister of COMPANY AFFAIRS be pleased to state:

(a) whether Government are aware about 250 companies tapped the capital market during the public issue boom between 1993-94 and 1994-95 and duped investors of their money and the amount involved being Rs. 1400 crores from their Initial Public Officers;

(b) if so, what action has been taken by Government to identify such companies; and

(c) how many investors have filed claims to get their money back and how many have actually been refunded the money

THE MINISTER OF STATE OF THE MINISTRY OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA): (a) Yes Sir. However, 229 companies were originally identified as Vanishing Companies which came out with IPOs durning the period 1992—98, out of which 71 companies are such which came out with IPOs during the period 1993—1995, for raising a sum of Rs.607.65 crores from the public.

(b) A Central Coordination and Monitoring Committee, co-chaired by Secretary, Ministry of Company Affairs and Chairman, SEBI has been set up to look into issues relating to vanishing companies and their promoters and to monitor the progress of action taken against vanishing companies and their promoters. Four Task Forces headed by Regional Directors under the Ministry of Company Affairs have been constituted to make concerted efforts for identifying the companies, which are vanishing and their promoters/Directors.

(c) There is no provision in the Companies Act 1956 for refunding money collected by companies through public issue unless a winding-up order is passed.

Revamping of Serious Fraud Investigation Office

1394. SHRI MANOJ BHATTACHARYA: Will the Minister of COMPANY AFFAIRS be pleased to state:

(a) the details of the work done by the Serious Fraud Investigation Office (SFIO) attached to his Ministry during the last three years, year-wise;

(b) whether Government are considering a proposal to revamp the working of SFIO and to tone-up its work culture and mythology so as to make it more result oriented; and

(c) if so, the details thereof and the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA): (a) The details of the work done by the Serious Fraud Investigation Office during the last three years, year-wise is given in the Statement.

[Refer to the Statement appended to the Answer to Unstarred Question 1392 part (c)]

(b) No, Sir.

(c) Does not arise.

Closure of Co-operative Banks

1395. SHRI JANARDHANA POOJARY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a number of Co-operative Banks in the country have become unviable and defunct, mostly owing to mismanagement;

(b) if so, details of such banks that have gone burst during the last three years, with details of affected clients, total deposits and the amount compensated, year-wise, bank-wise and State-wise;

(c) whether RBI, through the 'Depositors Credit Insurance and Guarantee Corporation' compensates the clients of defaulting Co-operative Banks; and

(d) if so, the amount disbursed on this account through this organization during the last three years, year-wise, bank-wise and State-wise, with special reference to Gujarat?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM): (a) to d) The information is being collected and will be laid on the Table of the House.

Funding of mega projects

1396. SHRI C. PERUMAL: Will the Minister of FINANCE be pleased to state:

(a) whether it is proposed to give adequate representation in the